

# INTER-OFFICE MEMORANDUM

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## Office of Accounts and Control

**TO:** Chief Financial Officers  
State Departments and Agencies **DATE:** June 28, 2001

**FROM:** Lawrence C. Franklin, Jr., State Controller

**SUBJECT: FINANCIAL INTEGRITY AND ACCOUNTABILITY REPORT**

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I have attached a copy of Section A-39 of the Procedural Handbook regarding the Financial Integrity and Accountability (FIA) Report.

The annual FIA report is due on or before December 31, 2001 for the fiscal year ended June 30, 2001. No changes have been made to the evaluation and reporting requirements; you can still use the SWOT evaluation method. Also, the format to be used for the report is contained in the A-39 procedure.

Please contact me at 222-6731 or via e-mail at: [larryf@gw.doa.state.ri.us](mailto:larryf@gw.doa.state.ri.us) with any questions concerning this subject matter.

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CFO:02-01

State of Rhode Island  
Department of Administration

OFFICE OF ACCOUNTS AND CONTROL

**SECTION**

**POLICY/PROCEDURE NUMBER**

A-39

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**GENERAL GUIDELINES**

**1. OVERVIEW:**

- A. Statute: R.I. General Law Title 35, Chapter 14 and Chapter 20.
- B. State Policy: Department of Administration's Procedural Handbook, Section A-39
- C. Oversight Responsibility:
  - Director of Administration
  - State Controller
  - Auditor General
- D. Purpose: A self-assessment process for senior executives to evaluate the strengths, weaknesses, opportunities and threats (SWOT) to goals and objectives which represent strategies in achieving the mission of the department, agency, and public corporation.

**2. ANNUAL REPORT:**

- A. Format: All senior executives for departments, agencies, and public corporations shall submit a letter to the Governor reporting on the results of a strategic evaluation of the strengths, weaknesses, threats and opportunities (SWOT) effecting their ability to perform their mission(s). Issues identified will be summarized in terms of implications for present and future risks, implications for other agencies, corrective actions underway and/or recommended, and resource implications.

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- B. Distribution: The report shall be addressed to the Governor of Rhode Island

Copies should be sent to the following:

Director of Administration  
Auditor General  
Speaker of the House  
Senate Majority Leader  
State Library (25 copies)

**3. DOCUMENTATION/RETENTION:**

- A. Documentation: The work product should include adequate supporting documentation, the methodology used, and the basis for determining materiality.
- B. Retention: The work product shall not be deemed public in accordance with RIGL 38-2-2 (4)(i)(K) (Access to Public Records) The FIA report and supporting documentation shall be retained for 3 years.
- C. Inspections: Records shall be made available upon request of the State's Director of Administration and/or the Auditor General.

- 4. ASSISTANCE:** Management control is essential to the evaluation process and substance is more important than form. The State Controller has provided guidance to help senior executives evaluate their organization.

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- Appendix A: "Division/Suborganization Operational Review Questionnaire"
- Appendix B: "Special Guidelines for Federally Funded Programs"
- Appendix D: "Special Guidelines for Controlling Small Computer Applications"
- Appendix E: "Management Controls Review: a guidebook."

These guides are intended to assist senior executives identify business risks associated with their organizations and develop a plan to mitigate those risks. In considering risks, senior executives must assess both internal and external actions that affect present and future success of their organization's mission(s).

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**SAMPLE: REPORT TO THE GOVERNOR**

Dear Governor:

In accordance with the requirements of RIGL 35-14 (or 35-20), I have conducted a strategic evaluation of the strengths and weaknesses effecting the Department of \_\_\_\_\_ during the fiscal year ended June 30, . I also evaluated the opportunities and threats we have encountered which are or could effect our ability to perform our mission(s) in the current and coming fiscal years. The evaluation was performed in accordance with the Revised Guidelines issued by the Director of Administration on September 14, 1999.

In conducting this evaluation, I and my senior staff considered how the issues and trends identified in our SWOT analysis might impact our ability to achieve the goals and objectives we have established for each of our program areas of responsibility. We have identified XXX issues that fall under the heading of strategic risks. These are identified below along with my analysis of the risk, implications for other departments and programs, options for addressing it, resource implications and actions already underway by this department.

Our review evaluated each risk identified in each category relative to its impact on the ability of this agency to achieve its goals and objectives. In reporting thereon, a risk is considered strategic if its existence effected this agency's ability to perform its mission(s) directly or indirectly in terms of programmatic, resource, or other parameters.

Our evaluation provides reasonable, but not absolute, assurance that the previously mentioned evaluation has identified all strategic risks related to achieving our mission. Further, our evaluation addresses corrective action (s) necessary to meet the challenge (s) posed by the risks identified to insure continued success in the performance of our mission.

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**ATTACHMENT: STRATEGIC RISK SUMMARY**

Issue:

Analysis:

Implications for Other Programs/Departments:

Options for Action:

Actions Already Underway:

Additional Actions Recommended:

Resource Implications:

*(This summary should be prepared for each material risk that your SWOT analysis identifies and a copy should be attached to your report.)*